

MINUTES OF THE
JOINT HEALTH AND HUMAN SERVICES APPROPRIATIONS SUBCOMMITTEE
Monday, January 29, 2007 - 2:00 p.m.
Room W125, West Office Building, State Capitol Complex

Member Present: Sen. Allen Christensen, Committee Co-Chair
Rep. Merlynn Newbold, Committee Co-Chair
Sen. Chris Buttars
Sen. Peter Knudson
Sen. Ross Romero
Rep. David Litvack
Rep. Roz McGee
Rep. Paul Neuenschwander
Rep. Steve Urquhart
Rep. Paul Ray
Rep. Ken Sumsion

Staff Present: William Greer, Fiscal Analyst
Debbie Headden, Fiscal Analyst
Norda Shepard

Public Speakers Present: Lisa-Michele Church, Executive Director, Department of Human Services
Brent Kelsey, Deputy Director, Division of Substance Abuse and Mental Health
Mark Payne, Director, Division of Substance Abuse and Mental Health
Dallas Earnshaw, Superintendent, Utah State Hospital
George Kelner, Director, Division of Services for People with Disabilities
Jack Tanner, Utah Behavioral Healthcare Network
Ross VanVranken, Utah Hospital Association
Robert Yeaman, Utah Jail Commanders Association
Bill Cox, Utah Association of Counties
Adam Trupp, Utah Association of Counties
Christene Jones, Director, Utah Association of Community Services
John Harbert, Director, RemUtah

A list of visitors and a copy of handouts are filed with the committee minutes.

Co-Chair Christensen called the meeting to order at 2:15 p.m and welcomed everyone.

1. Legislative Requests

Fiscal Analyst Debbie Headden distributed a corrected sheet for the Budget Analysis binder to go under Tab 31, Appendix B. She also distributed handouts on information that was requested by Legislators including: (1) schedule of provider rates and MAR limits for the Department of Human Services; (2) Utah Department of Human Services Constituent Inquiry Resolution Contacts; (3) Getting information about ORS by phone or internet, Office of Recovery Services' Automated Information System; (4) Department of Human Services nonlapping funds explanation; and (5) Discretionary Salary Increase for Department of Human Services employees.

Lisa-Michele Church, Executive Director, Department of Human Services, stated she would answer one request orally regarding the waiting time for adoption. Using figures from July 1, 2005, 320 children were legally free for adoption and within 18 months, 216 were adopted and 104 were still in custody. She indicated that she and all her division directors were available to call if more information was needed on any issue.

2. Drug Courts/Drug Boards - Tab 23 - Budget Brief

a. Overview and Report by Statute - Tab 31 - Appendix E

Analyst Headden said the recommended budget for the Drug Courts and Drug Boards is \$2,917,200. Funds from the Tobacco Fund are used to fund these courts and last year was the first time General Fund was appropriated.

Brent Kelsey, Deputy Director, Division of Substance Abuse and Mental Health, stated that Drug Courts are very successful in rehabilitation efforts. People are accountable and have to report to the judge each week. It is a protection to society. He said the Division's annual report is included in the budget binder under Tab 31, Appendix E. Additional copies were distributed at the meeting. Mr. Kelsey said Drug Courts exist because (1) Utah has a serious drug problem and that has an enormous impact on crime and (2) traditional methods just do not work. If not treated, the judicial system is like a revolving door. Drug Courts started in Utah in 1996 and is a growing system with 32 now in the state. He said 67 percent who begin are successful in completing the treatment. He said Drug Courts are the most successful model.

In answer to questions about the difference between Drug Courts and DORA, Sen. Buttars said DORA is being brought forth to provide screening for felons to see who will benefit from treatment and stay in treatment long enough to be clean. He said DORA's \$17 million up front funding would return saving to the state. He said it would be the best thing to ever come to corrections in years.

Mr. Kelsey distributed a drug offender reform act and drug court comparison. Ms. Headden said there is a need for both programs. They have different functions and different levels of treatment. One is not more important than the other. Mr. Kelsey said the good news is good success is being seen from these programs.

c. Drug Court Expansion - Tab 20 - Issue Brief - DHS-8-04

Ms. Headden stated that because of rapid growth in Drug Court participation there is a need for expansion. The graph on page 2 of the issue brief shows this growth. The division is requesting \$2.5 million to serve an additional 678 individuals. The Analysts recommends an appropriation of \$2 million in General Funds for FY 2008 with \$1,740,000 for the Department of Human Services for treatment services and \$260,000 for the Administrative Office of the Court for court administration. This will provide services for about 476 additional individuals.

Ms. Church stated that current funding does not meet demands and most drug courts have had to place caps. There is no better program and benefit for drug treatment.

3. Division of Substance Abuse and Mental Health - Tab 24 - Budget Brief

Ms. Headden said the budget for this division is \$115,987,000. Ms. Church said in trying to build a new model for mental health care, a committee was formed who felt that building a system based on Medicaid was not the best for Utah. She said Utah has a great need for mental health service.

Mark Payne, Director, Substance Abuse and Mental Health, distributed handouts and the annual report from the division. He indicated the function of the division is to monitor state dollars and federal dollars that pass through the state to local providers and to see that people are getting proper treatment for mental health. The objective is to get people back to a supportive community as soon as possible. The structure for delivery of services are provided on a local level. He said outcomes for the divisions are shown on page 51 and 81 of the annual report.

a. Mental Health Services - Issue Brief - DHS 08-05

Ms. Headden said the state contracts with local mental health authorities to provide mental health services. Statutorily, the local mental health providers are required to provide services to indigent mental health clients. In FY 2005, the federal Center for Medicaid and Medicare Services changed its rate policy and as a result local mental health centers are unable to use Medicaid savings to cover uninsured clients. It is the recommendation of the Analyst that the

Division of Substance Abuse and Mental Health be appropriated \$2,715,200 in General Funds for FY 2008 for uninsured and/or indigent mental health clients.

Mr. Church said she hoped subcommittee members understand the magnitude of this chance in mental health service in the state and hoped that funding could be on going. Mr. Payne stated that mentally ill people want the same as everyone else, homes, jobs, and family. They need to be treated before more serious treatment is required later.

b. Substance Abuse Treatment for Women with Children - Issue Brief DHS-08-06

Ms. Headden said the use of methamphetamine and other illicit drugs have increased the demand for treatment services for women. Between 1991 and 2005, substance abuse treatment services for women have increased by 170.4 percent while men during that same time period had a decrease of 5.18 percent. Many of these women have children and there are three scenarios for these women in treatment: (1) retain custody of their children while working with the Division of Child and Family Services, (2) children live with a relative while mother is being treated, (3) the children are in state custody. There are five treatment centers for women with children operating within the state. The Analyst recommends that this program be appropriated \$2,172,500 of one-time General Funds and \$2,172,600 matching Federal Funds to expand substance abuse programs for women with children.

Mr. Kelsy said there is a growing demand for these centers, especially in areas outside Salt Lake County.- and the funding needs to be on goig.

c. Utah State Hospital - Issue Brief DHS-08-07

Ms. Headden said the state hospital is licensed by the Department of Health under the direction of the Division of Substance Abuse and Mental Health. Under federal guidelines, adult mentally ill patients between the ages of 22 and 64 do not qualify for Medicaid and this is a challenge to the state hospital. The hospital has experienced an increase in the cost of medical services in medications, off-campus medical services, and recruitment and retention of psychiatrists. Pharmacy costs are a real concern and the chart on page 2 of the issue brief shows a history of this increase. The hospital does not provide complex medical or surgical care and has an agreement with Utah Valley Medical Center for these services and these costs are increasing. Recruitment and retention of psychiatrists is difficult as surrounding intermountain states are paying \$35,000 to \$49,350 more per year than Utah. Ms. Headden said the subcommittee may want to consider prioritizing all are part of the request for funding of \$435,000 supplemental for FY 2007 and \$513,700 for FY 2008 to address these concerns.

Dallas Earnshaw, Superintendent, Utah State Hospital, reported that although funding was authorized for news beds, they were unable to hire extra psychiatrists and staff and did not open these new beds immediately. With extra hours from the existing staff the new beds were opened in June. Since then, a part time psychiatrist has been hired and this has helped. He explained the hospital has purchased an EXP Fastpak machine which enables them to purchase medications in bulk and be packaged individually by the machine. He said this savings may not be realizes immediately but will later result in lower medication costs.

4. Division of Services for People with Disabilities - Tab 25 - Budget Brief

Ms. Headden said the recommenced base budget for this division is \$179,436,200. Ms. Church stated this division is one of the most difficult budgets, mainly because of the waiting list for those people needing services. George Kelner, Director, Division of Services for People with Disabilities, said he would like to talk about the mission of the agency and they people serviced and the type of services provided and what would happen if these services did not exist. He said the agency (1) meets the needs of the most vulnerable people in the state who may have life long disabilities and without help would be in jeopardy, (2) supports care givers and preserves families, and (3) builds skills to help people be as self sufficient and independent as possible.

Mr. Kelner stated in-home services consist of respite care, family support, day care services, employment support and

supportive living. Out of home services are group homes, intensive residential and the Utah State Developmental Center. He reported that last year's court case found that the state was making a sincere effort to remove people from the waiting list. He said the waiting list is shorter than last year for the first time ever. He reported the pilot project to help people who needed employment support exceeded expectations.

a. DSPD Mandated Waiver Services - Tab 20, Issue Brief DHS08-08

Ms. Headden said that DSPD administers three Medicaid waivers: (1) Mentally Retarded/Related Conditions; (2) Acquired Brain Injury; and (3) Physical Disability. Once a person is accepted in the waiver program, Medicaid requires that all additional services be provided as needed and these services must be met before new people can be moved off the waiting list. The chart on page 1 of the issue brief shows the additional waiver services needed and the cost per service for FY 2008.

Mr. Kelner gave examples of people requiring additional services and discussed eligibility requirements for the waiver.

b. DSPD Waiting List - Issue Brief DHS-08-09

Ms. Headden stated that every year DSPD strives to reduce the waiting list. For FY 2008, DSPD is requesting \$5,500,000 with \$2,000,000 from General Funds to address the needs of about 425 individuals, which is about 25 percent of the waiting list. This is the Analysts recommendation. This request will require additional FTEs to handle the increased caseload. Caseworkers manage about 30 cases. A chart on page 2 of the issue brief shows the number of people served on the waiting list and the net growth.

c. Supported Employment Pilot - Issue Brief DHS-08-10

Ms. Headden reported that during the 2006 General Session, H.B. 31, "Pilot Program for the Provision of Services for People With Disabilities," was passed, which provided for a two-year pilot program for supported employment services. The DSPD is requesting one-time funding of \$150,000 for year two of this program and the Analyst recommends that this be appropriated.

5. Local and Private Providers

Mr. Kelner said the division has 85 private contractors who do a great job of providing services and are a vital part of the infrastructure. He said they are in great need of provider increases. Their costs of operation have continually increased and they have difficulty competing for employees because of the low pay. Providers increased is a serious matter that deserves consideration.

Ms. Headden distributed copies of a letter from the Board of Services for People with Disabilities discussing these issues.

Jack Tanner, Utah Behavioral Healthcare Network, distributed a handout entitled "Utah Recovery Model for Mental Health and Substance Abuse Executive Summary." He said this was a one page summary that outlines the Utah Recovery Plan. He said mental illness and substance abuse treatment systems are falling behind. The plan found that families need to be involved with treatments plans and give support to help family members regain their life and become contributors to society. He said we need to have a plan to improve services. He said people who are not served or are under served end up in ER rooms at the hospitals which increases costs. They impact law enforcement and fill jails. He said funding should be about sending a few dollars to people who need it and avoiding higher costs later. It should be about spending money in the right places to avoid spending more in the wrong places.

Ross Van Vranken, Utah Hospital Association, said the state has a shortage of beds for the mental patients. He said last year 4,000 people were admitted. Mental health clinics are also over burdened.

Robert Yeaman, Utah Jail Commanders Association, distributed and discussed a packet, "Problems Identified." He said that mentally ill offenders are often booked into jail after being arrested and often are put back on the street. Many times, the reason for the arrest is due to their mental illness. Many do not have a support group or family to help them. Many also are substances abusers. He said the state hospital only has 100 beds and it can take up to six to eight weeks to get into the hospital. He drew attention to a letter from a father concerning his son that is included in the packet.

Bill Cox, Utah Association of Counties, said that counties are partners in many areas with the state, mental health, substance abuse, aging and adult services and early intervention. He said the increasing cost of providing these services continues to grow and it is very important that cost of operation increases be funded. He indicated that the cost of heating the senior citizen center in Rich County has gone up \$5,000 a year. He said if COLAs are not increased on a regular basis, services have to be reduced. Counties are stepping up and doing what they can but they need this help.

Adam Trupp, Utah Association of Counties, said he would encourage the state to make a decision to increase COLA and get a good return on the investment. Counties need help now to make them more stable. He said he hoped that subcommittee members would keep that in focus as they make priority lists.

Christene Jones, Director, Utah Association of Community Services, stated that all the providers in the state, from small to large, provide services to people with disabilities. She urged provider increases be funded.

John Harbert, Director of RemUtah, said he has worked in the provider field for many years. He stated it is getting increasingly difficult to hire and train people to support these services. He said he was grateful to the subcommittee for listening to the needs of these providers. He said that even with cost of living increases they are worse off now than ten years ago and with more staffing problems. He said the subcommittee needs to understand that providers need good staffs in order to do their job. He said he hoped that the subcommittee would urge the Executive Appropriations Committee to put together a generous package.

6. OTHER COMMITTEE BUSINESS

Co-Chair Christensen reminded everyone that the meeting on Wednesday would be in Room W135 and that sign up sheets to testify were on the table.

MOTION: Rep. Litvack moved to adjourn. The motion passed unanimously with Sen. Knudson, and Reps. Urquhart and Ray absent at the time of the vote.

Co-Chair Christensen adjourned the meeting at 5:13 p.m.

Minutes recorded by Norda Shepard, Secretary

Sen. Allen Christensen, Committee Co-Chair

Rep. Merlynn T. Newbold, Committee Co-Chair